

House File 2384 - Introduced

HOUSE FILE _____
BY COMMITTEE ON COMMERCE

(SUCCESSOR TO HF 354)

Passed House, Date _____ Passed Senate, Date _____
Vote: Ayes _____ Nays _____ Vote: Ayes _____ Nays _____
Approved _____

A BILL FOR

1 An Act relating to the deposit of public funds with corporate
2 credit unions.
3 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:
4 TLSB 6535HV 82
5 rn/rj/14

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1 1 Section 1. Section 12C.16, subsection 1, paragraph b,
2 subparagraph (4), Code Supplement 2007, is amended to read as
3 follows:

1 4 (4) To the extent of the guarantee, loans, obligations, or
1 5 nontransferable letters of credit upon which the payment of
1 6 principal and interest is fully secured or guaranteed by the
1 7 United States of America or an agency or instrumentality of
1 8 the United States of America or the United States central
1 9 credit union, a corporate central credit union organized under
1 10 section 533.213, or a corporate credit union ~~organized under~~
~~1 11 12 C.F.R. } 704 whose activities are subject to regulation by~~
~~1 12 the national credit union administration~~, and the rating of
1 13 any one of such credit unions remains within the two highest
1 14 classifications of prime established by at least one of the
1 15 standard rating services approved by the superintendent of
1 16 banking by rule pursuant to chapter 17A. The treasurer of
1 17 state shall adopt rules pursuant to chapter 17A to implement
1 18 this section.

1 19 Sec. 2. Section 12C.17, subsection 1, paragraph c, Code
1 20 Supplement 2007, is amended to read as follows:

1 21 c. The securities shall be deposited with the federal
1 22 reserve bank, the federal home loan bank of Des Moines, Iowa,
1 23 or the United States central credit union, a corporate central
1 24 credit union organized under section 533.213, or a corporate
1 25 credit union ~~organized under 12 C.F.R. } 704 whose activities~~
~~1 26 are subject to regulation by the national credit union~~
~~1 27 administration~~ pursuant to a bailment agreement or a pledge
1 28 custody agreement.

1 29 Sec. 3. Section 12C.17, subsection 4, Code Supplement
1 30 2007, is amended to read as follows:

1 31 4. Upon written request from the appropriate public
1 32 officer but not less than monthly, the federal reserve bank,
1 33 the federal home loan bank of Des Moines, Iowa, the United
1 34 States central credit union, a corporate central credit union
1 35 organized under section 533.213, or a corporate credit union
~~2 1 organized under 12 C.F.R. } 704 whose activities are subject~~
~~2 2 to regulation by the national credit union administration~~
2 3 shall report a description, the par value, and the market
2 4 value of any pledged collateral by a credit union.

EXPLANATION

2 6 This bill changes the manner in which corporate credit
2 7 unions are referenced in the sections of Code chapter 12C
2 8 dealing with securing deposits of public funds in credit
2 9 unions. Code sections 12C.16 and 12C.17 provide for the
2 10 deposit of securities with, among other entities, corporate
2 11 credit unions organized under 12 C.F.R. } 704, which regulates
2 12 corporate credit unions. In 12 C.F.R. } 700.2, a corporate
2 13 credit union is defined as an organization which receives
2 14 shares from and provides loan services to credit unions, and
2 15 is operated primarily for the purpose of serving other credit
2 16 unions. The bill changes the reference to 12 C.F.R. } 704 to
2 17 the more general designation of corporate credit unions whose
2 18 activities are subject to regulation by the national credit

2 19 union administration.
2 20 LSB 6535HV 82
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